

NEW MEXICO PUBLIC REGULATION COMMISSION

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Commissioner Jerome D. Block
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May 20, 2011

Records Clerk
Federal Communication Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

**Re: In the Matter of High-Cost Universal Service Support, WC Docket No. 10-90,
GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC
Docket No. 01-92, CC Docket No. 96-45, and WC Docket No. 03-109.**

**NOTICE OF INQUIRY AND NOTICE OF PROPOSED RULEMAKING
Reply/(Ex-Parte) Comments of the New Mexico Public Regulation
Commission on May 20, 2011.**

Dear Records Clerk:

The New Mexico Public Regulation Commission (NMPRC) wishes to submit the attached Joint Memorial into the recorded proceeding named above. This Joint Memorial was recently adopted by the New Mexico State Legislature to address the potential impacts brought by universal service reforms to the investment and economic development in New Mexico.

The NMPRC shares the same concerns that resulted in the drafting of this memorial. The NMPRC wishes to offer the following additional comments regarding this important proceeding:

1. The NMPRC supports efforts by the Commission to reform the Federal Universal Service Fund in an appropriate manner to reduce the overall size of the fund and current contribution levels, which are a burden on consumers. The NMPRC further urges the Commission to implement changes to the fund over a reasonable time period. Evidence based verification is required at each stage of reform to ensure the desired results are being achieved before moving to the next step.

2. The NMPRC urges the Commission to take into account New Mexico's efforts and other "early adopter" states that have begun access reform. New Mexico ratepayers currently pay a surcharge for intrastate access rate reductions. Any approved compensation plan determine by the Commission shall take that into consideration the diligent reform steps taken in New Mexico and not further burden our ratepayers with higher shares to offset other states failures to response and take action.
3. The NMPRC feels strongly that the Commission should not act to preempt state authority over intrastate retail rates, design, and intrastate access rates and allow states to retain as the authority over the ETC designation process.

The NMPRC respectfully requests that consideration is given to the New Mexico Legislature Joint Memorial. It is further suggested that the Commission takes the steps in this critical proceeding to properly balance the essential interests set forth in the Joint Memorial, while reducing the size of the fund and minimizing the consumer contribution burden.

Respectfully submitted,



Jerome D. Block
Vice-Chairman

Enclosures
CC:

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A JOINT MEMORIAL

REQUESTING THAT THE FEDERAL COMMUNICATIONS COMMISSION ADOPT
BROADBAND AND UNIVERSAL SERVICE FUND REFORMS THAT PRESERVE
REQUIRED STATUTORY MANDATES AND PROMOTE BROADBAND DEPLOYMENT
IN ALL HIGH-COST AREAS.

WHEREAS, the legislature of the state of New Mexico is
concerned about the potential adverse impacts that the
federal communications commission's proposed broadband and
universal service fund reforms may have on investment and
economic development in New Mexico; and

WHEREAS, New Mexico shares the commission's goals for
deploying broadband service to consumers throughout New
Mexico and the rest of the nation; and

WHEREAS, deployment of broadband service at sufficient
speeds in high-cost areas is critical to enabling consumers
to benefit from the continued availability and expansion of
broadband connectivity, thus avoiding the looming prospect of
a lasting "digital divide"; and

WHEREAS, the current federal communications commission's
universal service fund support programs have contributed to
the deployment of a robust, advanced telecommunications
infrastructure in some high-cost areas in New Mexico, with
the result that, today, many telecommunications carriers
serving high-cost areas have enhanced networks to allow

1 broadband services to be offered to a high percentage of
2 their customers; and

3 WHEREAS, the federal communications commission's reform
4 of universal service fund high-cost support should result in
5 a program that is properly sized and targeted to high-cost
6 rural areas in order to achieve the goal of universal service
7 and avoid adverse impacts on the ongoing operation and
8 maintenance of the modern voice and data networks and
9 services currently provided by telecommunications carriers
10 serving high-cost areas in New Mexico; and

11 WHEREAS, a significant reduction in the amount of
12 support provided to rural carriers under the universal
13 service fund high-cost support program could result in
14 unreasonably large rate increases and elimination of services
15 for customers in rural New Mexico in order to replace the
16 federal universal service fund support that some rural
17 carriers have received for several decades; and

18 WHEREAS, if the current federal universal service fund
19 support program is eliminated without a workable replacement
20 support program for high-cost rural areas, the reformed
21 universal service fund support program will not meet the
22 statutory requirements of U.S.C. 47.5, 254(b)(3) for
23 comparable service, comparable rates and sufficient,
24 predictable universal service fund support for investment in
25 high-cost areas of the nation; and

1 WHEREAS, the commission's broadband and universal
2 service fund reforms must adequately account for the high
3 cost of operations and maintenance for serving high-cost
4 rural areas in New Mexico for both existing and future voice
5 and broadband networks; and

6 WHEREAS, uncertainty created by the federal
7 communications commission's proposed broadband and universal
8 service fund reforms is likely to have a chilling effect on
9 the availability of capital to fund future rural broadband
10 development;

11 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
12 STATE OF NEW MEXICO that the proposed broadband and universal
13 service fund reforms pending before the federal
14 communications commission be considered in such a manner that
15 addresses required statutory mandates for comparable service,
16 comparable rates and explicit universal service fund support
17 for investment in high-cost areas of the nation and that such
18 reforms result in the appropriate amount of support being
19 made available to all telecommunications carriers serving
20 high-cost areas consistently; and

21 BE IT FURTHER RESOLVED that copies of this memorial be
22 transmitted to the federal communications commission, to each
23 of the current commissioners of the commission, to the New
24 Mexico congressional delegation and to the public regulation
25 commission.
